Appendix:

Select Provisions of General Incorporation Laws for Manufacturing Companies
from Seven U.S. States, 1840s through 1930s

This appendix is a supplement to Ron Harris and Naomi R. Lamoreaux, “Opening the Black Box of the Common-Law Legal Regime: Contrasts in the Development of Corporate Law in Britain and the United States in the Late Nineteenth and Early Twentieth Centuries,” Business History (forthcoming 2018).

We extract here selected provisions from the general incorporation statutes enacted by the states of California, Illinois, Massachusetts, New Jersey, New York, Ohio, and Pennsylvania from the 1840s through the 1930s. We focus on statutes that applied to manufacturing companies. In the early years, the statutes were often limited to manufacturing enterprises, but their coverage broadened over time.

We report only the main details for the following selected topics:

- Procedures for, and limits on, formation
- Procedures for mergers
- Directors and procedures for electing them
- Procedures for amending articles of association
- Procedures for enacting bylaws
- Transferability of shares
- Stockholders’ liability
California

California 1853 Act to provide for the formation of corporations for certain purposes

California 1853, Procedures for, and limits on, formation:

“Corporations for manufacturing, mining, mechanical, or chemical purposes or for the purpose of engaging in any species of trade or commerce, foreign or domestic, may be formed according to the provisions of this Act; such corporations, and the members thereof, being subject to all the conditions and liabilities herein imposed, and to none others” (§1).

“Any three or more persons, who may desire to form a company for any one or more of the purposes specified in the preceding section, may make, sign, and acknowledge, before some officer competent to take the acknowledgment of deeds … a certificate in writing, in which shall be stated the corporate name of the company, the objects for which the company shall be formed, the amount of its capital stock, the time of its existence, not to exceed fifty years, the number of shares of which the stock shall consist, the number of trustees and their names who shall manage the concerns of the company for the first three months, and the names of the city or town and county in which the principal place of business of the company is to be located” (§2).

California 1853, Procedures for mergers:

No provision.

California 1853, Directors and procedures for electing them:

“[N]o trustee shall be removed from office unless by a vote of two-thirds of the whole number of trustees, or by a vote of a majority of the trustees, upon a written request signed by stockholders of two-thirds of the whole stock” (§4).

“The corporate powers of the corporation shall be exercised by a board of not less than three trustees, who shall be stockholders in the company, and a majority of them citizens of the United States and residents of this State, and who shall, after the expiration of the term of the trustees first selected, be annually elected by the stockholders at such time and place, and upon such notice and in such mode as shall be directed by the by-laws of the company; but all elections shall be by ballot, and each stockholder, either in person or by proxy, shall be entitled to as many votes as he owns shares of stock; and the persons receiving the greatest number of votes shall be trustees” (§5).

California 1853, Procedures for amending articles of association:

No provision.

California 1853, Procedures for enacting bylaws:
“When the certificate shall have been filed, the persons who shall have signed and acknowledged the same, and their successors, shall be a body politic and corporate, in fact and in name, by the name stated in the certificate, and, by their corporate name have succession for the period limited, and power … to make by-laws not inconsistent with the laws of this State for the organization of the company, the management of its property, the regulation of its affairs, the transfer of its stock, and for carrying on all kinds of business within the objects and purposes of the company” (§4).

California 1853, Transferability of shares:

“The stock of the company shall be deemed personal estate, and shall be transferable in such manner as shall be prescribed by the by-laws of the company; but no transfer shall be valid, except between the parties thereto, until the same shall have been so entered on the books of the company, as to show the names of the parties by and to whom transferred, the number and designation of the shares, and the date of the transfer” (§9).

California 1853, Stockholders’ liability:

“Each stockholder shall be individually and personally liable for his proportion of all the debts and liabilities of the company, contracted or incurred during the time that he was a stockholder. For the recovery of which, joint or several actions may be instituted and prosecuted” (§16).

California 1872 Revised statutes corporations:

California 1872, Procedures for, and limits on, formation:

“Corporations are either public or private. Public corporations are formed or organized for the government of a portion of the State; private corporations are formed for the purpose of religion, benevolence, education, art, literature, or profit” (§284).

“Private corporations may be formed by the voluntary association of any five or more persons, for the purposes and in the manner prescribed in this Article. A majority of such persons shall be citizens of this State. Married women may become corporators, officers, and members of religious, benevolent, art, literary, or educational corporations” (§285).

“The purposes for which private corporations may be formed are the following, and none other: 1. Fire, marine, life, health, accident insurance; 2. The insurance of the lives of domestic animals; 3. Construction, conduct, and maintenance of railroads, and telegraph lines in connection therewith; 4. Construction, conduct, and maintenance of street railroads, plank roads, turnpikes, common wagon roads; 5. Construction, conduct, and maintenance of bridges, ferries, wharves, chutes, piers; 6. The establishment, conduct, and maintenance of express or stage lines; 7. Constructing, conducting, and maintaining telegraph lines; 8. Constructing and maintaining canals for navigation, and canals and ditches for drainage, agricultural, or mining purposes; 9. For navigating the ocean, or any of the waters of this State, with vessels propelled by sails, or in
whole or in part by steam; 10. The purchase of lands for, and the distribution of homesteads; 11. The accumulation of funds for the purchase of real property, and for the erection of buildings and improvements thereon, for the benefit of the members thereof; 12. Accumulating savings, and loaning the funds of the members thereof; 13. Manufacturing, mining, mercantile, mechanical, wharfing, docking, or chemical purposes, or for engaging in any other species of trade, business, or commerce; 14. The transacting of a printing and publishing business; 15. To supply water to the public; 16. The manufacture and supply of gas, or the supply of light or heat to the public by any other means; 17. The establishment, conduct, and maintenance of hotels, laundries, or heaters; 18. For the formation, conduct, and maintenance of District and County Agricultural Fairs; 19. The encouragement of, or business of, agriculture, horticulture, or stock raising; 20. The improvement of the breed of domestic animals; 21. The support, conduct, and maintenance of colleges of learning, or for any literary or scientific object, or for the promotion of any of the sciences or fine arts; 22. Acquiring, preserving, and conducting public libraries; 23. The organization and conduct of Chambers of Commerce, Boards of Trade, and Mechanic Institutes; 24. The support, conduct, and maintenance of homes and schools for orphans and foundlings, or either of them, or any person otherwise destitute; 25. For the purposes of religion, sociability, charity, or learning; 26. The purchase of lands for and the maintenance of cemeteries; 27. For banks of discount and deposit” (§286).

“The instrument by which a private corporation is formed is called ‘articles of incorporation’” (§289).

“Articles of incorporation must be prepared, setting forth: 1. The name of the corporation; 2. The purpose for which it is formed; 3. The place where its principal business is to be transacted; 4. The term for which it is to exist, not exceeding fifty years; 5. The number of its Directors or Trustees, and the names and residences of those who are appointed for the first year; 6. The amount of its capital stock, and the number of shares into which it is divided; 7. If there is a capital stock, the amount actually subscribed, and by whom” (§290).

“The articles of incorporation must be subscribed by five or more persons, three of whom must be citizens of this State, and acknowledged by each before some officer authorized to take and certify acknowledgments of grants of real property” (§292).

**California 1872, Procedures for mergers:**

No provision (except for railroads).

**California 1872, Directors and procedures for electing them:**

“The Directors of a corporation must be elected annually by the stockholders or members, and if no provision is made in the by-laws for the time of election, the election must be held on the first Tuesday in June. Notice of such election must be given, and the right to vote determined as prescribed in Section 301” (§302) [see Procedures for enacting bylaws below]

“The corporate powers, business, and property of all corporations formed under this Title must be exercised, conducted, and controlled by a Board of not less than five nor more than eleven
Directors, to be elected from among the holders of stock; or where there is no capital stock, then
from the members of such corporation. A majority of the Directors must be citizens of this State.
Directors of corporations for profit must be holders of stock therein in an amount to be fixed by
the by-laws of the corporation. Directors of all other corporations must be members thereof.
Unless a quorum is present and acting, no business performed or act done is valid as against the
corporation. Whenever a vacancy occurs in the office of Director, unless the by-laws of the
corporation otherwise provide, such vacancy must be filled by an appointee of the Board”
(§305).

“At the first meeting called, as soon as the bylaws are adopted, unless it is provided that the
officers named in the articles of incorporation shall continue until a certain other date, Directors
must be elected, a majority of the subscribed capital stock, or of the members, being necessary to
a choice” (§306).

“All elections must be by ballot, and unless otherwise prescribed by the by-laws, a majority of
the subscribed capital stock or of the members is necessary to a choice” (§307).

“No Director shall be removed from office, unless by a vote of two thirds of the members, or of
stockholders holding two thirds of the capital stock, at a general meeting held after previous
notice of the time and place, and of the intention to propose such removal. Meetings of
stockholders for this purpose may be called by the President, or by a majority of the Directors, or
by members or stockholders holding at least one half of the votes” (§310).

“At all elections or votes had for any purpose there must be a majority of the subscribed capital
stock, or of the members, represented, either in person or by proxy in writing. Every person
acting therein, in person or by proxy or representative, must be a member thereof or a bona fide
stockholder, having stock in his own name on the stock books of the corporation at least ten days
prior to the election. Any vote or election had other than in accordance with the provisions of this
Article is voidable at the instance of absent stockholders or members, and may be set aside by
petition to the District Court of the county where the same was held. Any regular or called
meeting of the stockholders or members may adjourn from day to day, or from time to time, if
for any reason there is not present a majority of the subscribed stock or members, or no election
or majority vote had—such adjournment and the reasons thereof being recorded in the journal of
proceedings of the Board of Directors” (§312).

California 1872, Procedures for amending articles of association:

No provision.

California 1872, Procedures for enacting bylaws:

“Every corporation formed under this Title must, at a meeting of its stockholders or members, to
be held within one month after filing articles of incorporation, adopt a code of by-laws for its
government not inconsistent with the Constitution and laws of this State. Notice of such meeting,
by order of the acting President, specifying its object, must be published two weeks in some
newspaper published in the county where the meeting is to be held; or if none is published
therein, then in a paper published in an adjoining county. In the adoption of the by-laws, each stockholder has as many votes as he holds shares of stock; if there is no capital stock, each member has one vote. A majority of all the subscribed capital stock, or of the members, if there is no capital stock, is necessary to adopt the by-laws, or any one of them” (§301).

“A corporation may, by its by-laws, where no other provision is specially made, provide: 1. The time, place, and manner of calling and conducting their meetings; 2. The number of stockholders or members, or the quantity of stock constituting a quorum; 3. The number of shares which entitles the stockholders respectively to one or more votes; 4. The mode of voting by proxy; 5. The time and place of the annual election for Directors, and the mode and manner of giving notice thereof; 6. The mode of selling shares for the non-payment of assessments or installments; 7. The compensation and duties of officers; 8. The tenure of office of subordinate officers; and, 9. Suitable penalties for violations of by-laws, not exceeding, in any case, one hundred dollars for any one offense (§303).

“All by-laws adopted must be certified by the officers of the corporation, and filed and recorded in the Recorder’s office of the county where the principal place of business of the corporation is located. The by-laws thus adopted must not be altered or amended, except at a special meeting of the stockholders or members, to be called by the Directors for that purpose, specifying in the order the proposed amendments; and a two-third vote of all the subscribed capital stock, or of the members, is necessary to adopt the same. And the amendments thus adopted must be certified and recorded in the same manner as the original by-laws” (§305).

California 1872, Transferability of shares:

“Whenever the capital stock of any corporation is divided into shares, and certificates therefor are issued, such shares of stock are personal property and may be transferred by indorsement by the signature of the proprietor, or his attorney or legal representative, and delivery of the certificate; but such transfer is not valid, except between the parties thereto, until the same is so entered upon the books of the corporation as to show the names of the parties by and to whom transferred, the number or designation of the shares, and the date of the transfer” (§324).

“Shares of stock in corporations held or owned by a married woman may be transferred by her, her agent, or attorney, without the signature of her husband, in the same manner as if such married woman were a femme sole. All dividends payable upon any shares of stock of a corporation held by a married woman may be paid to such married woman, her agent, or attorney, in the same manner as if she were unmarried, and it is not necessary for her husband to join in a receipt therefor; and any proxy or power given by a married woman, touching any shares of stock of any corporation owned by her, is valid and binding without the signature of her husband, the same as if she were unmarried” (§325).

California 1872, Stockholders’ liability:

“Each stockholder or member of any corporation is severally, individually, and personally liable for such proportion of all its debts and liabilities as the amount of stock or shares owned by him in such corporation bears to the whole of the subscribed capital stock or shares of the
corporation, for the recovery of which joint or several actions may be instituted and prosecuted; and in any such action against any of the stockholders or members of a corporation, the Court must ascertain and determine the proportion of the debt which is the subject of the suit for which each of the stockholders or members who are defendants in the action are severally liable, and judgment must be given severally in conformity therewith. If any stockholder or member of a corporation pays his proportion when of any debt due by such corporation, he is released and discharged from any further individual or personal liability for such debt. Stock held as collateral security, or by a trustee, or in any other representative capacity, does not make the holder thereof a stockholder, but the pledgor or person or estate represented is the stockholder” (§322).

California 1931 General Corporation Law

California 1931, Procedures for, and limits on, formation:

“A corporation may be formed under this title by the execution of articles of incorporation by three or more persons, and the filing thereof, in the manner herein provided, for any lawful purpose or purposes” (§285).

“Articles of incorporation shall state: 1. The name of the corporation. 2. The purposes for which it is formed. 3. The county in this state where the principal office for the transaction of the business of the corporation is to be located. 4. If the corporation is to be authorized to issue only one class of shares of stock, the total number of shares which the corporation shall have authority to issue and the aggregate par value, if any, of all shares, and (a) the par value of each of such shares, or (b) a statement that all such shares of stock are to be without par value; or if the corporation is to be authorized to issue more than one class of shares, the total number of shares which the corporation shall have authority to issue and the aggregate par value of all shares that are to have a par value, and (a) the number of shares of each class that are to have a par value, and the par value of each share of each such class, and/or (b) the number of shares of each class that are to be without par value. 5. If the shares are to be classified, or if any class of shares is to have two or more series, a statement of the preferences, privileges and restrictions granted to or imposed upon the holders of the respective classes or series of shares, and of the number of shares constituting each series, and, except as to matters and things so stated, no distinction shall exist between said classes or series of shares or the holders thereof; provided, however, that in lieu of a statement of the dividend rate, redemption price and/or liquidation price of shares of any class or of any series of any class or the number of shares constituting any series, the articles may authorize the board of directors, within the limitations and restrictions stated therein, to fix or alter, from time to time, the dividend rate or the redemption or liquidation price of any class or of any series of any class, or the number of shares constituting any series of any class, or all or any of them, in respect of shares then unissued. 6. The names and addresses of the persons, not less than three, who are appointed to act as the first directors. The number of persons so named shall constitute the number of directors until changed by amendment to the articles or by a by-law adopted pursuant to authority contained in the articles. 7. Any provisions which may be desired. (a) Granting, with or without limitations, the power to levy assessments upon the shares or any class thereof; (b) Granting to shareholders preemptive rights to subscribe to any or all issues of shares or securities; (c) Otherwise regulating the business of the corporation and the
powers of directors or shareholders, in a manner not in conflict with law. 8. If the corporation is not to be authorized to issue shares of stock, or if it is not formed with a view to pecuniary gain or profit to its members, it shall be so stated. The authorized number and qualifications of its members, the different classes of membership, if any, the property, voting and other rights and privileges of each class of membership, and the liability of each or all classes to dues or assessments, may be set forth either in the articles or in the by-laws” (§290).

California 1931, Procedures for mergers:

“Any two or more corporations may be: (a) merged into one of such constituent corporations, which is herein designated as ‘the surviving corporation’; or (b) consolidated into a new corporation, which is herein designated as ‘the consolidated corporation,’ as follows: (1) The board of directors of each corporation by resolution shall approve an agreement which shall set forth the terms by board and conditions of merger or consolidation, and the mode of carrying the same into effect, as well as the manner and basis of converting the shares of the constituent corporations into the shares of the consolidated or surviving corporation. The agreement may also provide for the distribution of cash, property, or securities, in whole or in part, in lieu of shares to shareholders of the constituent corporations or any class of them; provided, however, that upon such distribution of cash, property or securities, the liabilities of the consolidated or surviving corporation, including those derived by it from the constituent corporations, plus the amount of the stated capital of the consolidated or surviving corporation, shall not exceed the value of the assets of such consolidated or surviving corporation. If the agreement is for a consolidation, it shall state the matters required to be stated in articles of incorporation, and these statements shall be deemed to be the articles of incorporation of the corporation created by the agreement. If the agreement is for a merger, it shall state any matters with respect to which the articles of the surviving corporation are amended, and the articles shall be deemed to be amended accordingly upon the filing thereof with the secretary of state. (2) The agreement shall be signed by the president or a vice president and the secretary or an assistant secretary of each corporation, and acknowledged by the officers executing the same on behalf of their respective corporations. (3) The agreement must be approved by the vote of the holders of not less than two-thirds of the issued and outstanding shares of each class, even though their right to vote be otherwise restricted or denied, of each of the constituent corporations, at a meeting duly called upon notice of the time, place and purpose thereof, mailed to the last known post-office address of each shareholder at least twenty days prior to the date of such meeting. There shall be mailed with the notice of such meeting a statement of the general terms of the proposed agreement. In lieu of the vote of such shareholders of any of said corporations it may be approved with like effect by the written consent of such shareholders, upon at least twenty days’ notice to all shareholders, which consent or consents shall be filed with the secretary of such corporation. Different series of the same class of shares shall not be construed to constitute different classes of shares for the purposes of voting or consent by classes.” (§361).

California 1931, Directors and procedures for electing them:

“Subject to limitations of the articles and of this title as to action to be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of every corporation shall be controlled by, a board of not less than three
directors who need not be shareholders unless the articles or by-laws so require. Directors named in the articles shall hold office until the next annual meeting and until their successors are elected either at an annual meeting or at a special meeting called for that purpose. Directors other than those named in the articles shall be elected annually by the shareholders and shall hold office until their successors are elected” (§305).

“Removal of directors. (1) The entire board of directors or any individual director may be removed from office by a vote of shareholders holding a majority of the outstanding shares entitled to vote at an election of directors. In case the board or any one or more directors be so removed, new directors may be elected at the same meeting. Unless the entire board be removed, no individual director shall be removed in case the votes of a sufficient number of directors shares are cast against the resolution for his removal, which if cumulatively voted at an election of the full board would be sufficient to elect one or more directors. (2) The board of directors may declare vacant the office of a director: (a) If he be declared of unsound mind by an order of court, or finally convicted of felony; (b) If within sixty days, or such other time as the by-laws specify, after notice of his election, he does not accept such office either in writing or by attending a meeting of the board of directors and fulfill such other requirements of qualification as the by-laws specify. (3) The superior court of the county where the principal office is located may at the suit of any shareholder or shareholders holding at least ten per cent of the number of outstanding shares with or without voting rights remove from office any director or directors in case of fraudulent or dishonest acts or gross abuse of authority or discretion with reference to the corporation, and may bar from reelection any director so removed for a period prescribed by the court. The corporation shall be made a party to such actions” (§310).

“Directors of every corporation shall be elected annually at a meeting of the shareholders, known as the annual meeting. Such meeting shall be held at eleven o'clock a.m. on the first Tuesday in April at the principal office of the corporation, unless a different place or time is provided in the by-laws. … (§312).

“Contested elections. Upon the application of a shareholder of a domestic or foreign corporation aggrieved by the election or appointment of a director at a meeting of shareholders or directors, the superior court of any county where such meeting was held or where the principal office in this state is located, shall have the power to hear and determine the validity of such election or appointment. The court may determine the person entitled to such office, order a new election to be held, or direct such other relief as may be just and proper. …” (§315).

“The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting shall constitute a quorum for the transaction of business unless the by-laws in the case of a nonprofit corporation provide a different number. …” (§316).

“Elections-cumulative voting. Elections for directors need not be by ballot except upon demand made by a shareholder at the election and before the voting begins or unless by the by-laws so required. Every shareholder entitled to vote at any election for directors of any corporation for profit shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his shares are entitled, or to distribute his votes on the same principle among as many candidates as he shall
think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. The right of cumulative voting for directors shall not extend to members of nonstock corporations or to members or shareholders in cooperative corporations unless it be so provided in their articles or by-laws” (§320).

“Voting rights. Only persons in whose names shares entitled to vote stand on the stock records of the corporation on the day three days prior to any meeting of shareholders, or, if some other day be fixed for the determination of shareholders of record, then on such other day, shall be entitled to vote at such meeting. In the absence of any contrary provision in the articles or in any statute relating to the election of directors or to other particular matters, each such person shall be entitled to one vote for each of said shares. …” (§320a).

“Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the secretary of the corporation. Executors, administrators, guardians, trustees or any fiduciary may give proxies, waive notice of and consent to any meeting of shareholders, or authorize by a writing any action which could be taken by shareholders. No proxy shall be valid after the expiration of eleven (11) term of months from the date of its execution unless the shareholder executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution. Any proxy duly executed shall be deemed not to have been revoked, and to be in full force and effect, unless and until an instrument revoking said proxy, or a duly executed proxy bearing a later date, is filed with the secretary of the corporation. Notwithstanding that a valid proxy may be outstanding, the powers of the proxy holder or holders shall be suspended, except in the case of a proxy coupled with an interest, which shall state that fact on its face, if the person or persons executing such proxy shall be present at the meeting and elect to vote in person….¨” (§321).

“Shares of stock in any corporation may be transferred to a trustee or trustees in order to confer upon them the right to vote and otherwise represent such shares. A duplicate of the voting trust agreement may be filed in the office of the corporation, and if so filed shall be open to inspection by any shareholder, or holder of a voting trust certificate, or his agent upon the same terms as the stockbooks of the corporation are open to inspection. If the voting trust agreement be so filed, the corporation shall take notice of its terms and the limitations on the authority of the trustees thereunder. Any trust, the sole or principal purpose of which is the voting or representing of shares, may be terminated at any time by the holders of a majority in interest of the beneficial interests therein unless otherwise specified therein. No such voting trust shall be made irrevocable for a period of more than twenty-one years” (§321a).

California 1931, Procedures for amending articles of association:

By complying with the following provisions, a corporation may amend its articles for any or all of the following purposes: (1) To adopt a new name, subject to the restrictions contained in section 291 of this code; (2) To change or add to its powers or purposes; or to set forth different or additional powers or purposes; (3) To change the location of its principal office or place of business to any other county or city and county within the state; provided, that no amendment
need be made to change the principal office from one location to another in the same county or city and county; (4) To remove any provision of its articles limiting its term of existence and to provide for perpetual existence; (5) To increase or decrease the authorized number of its shares of any class, issued or unissued, or the par value thereof; or to increase or decrease the authorized number of shares of any series, issued or unissued; (6) To provide for the classification of its shares, or for the subdivision of any class or classes of shares into series, in which event there must be set forth a statement of the number of shares of each class or series and of the preferences, privileges and restrictions granted to or imposed upon the holders of the respective classes or series of shares; (7) To change the statement, as to shares issued or unissued, of the classification of shares and/or of the subdivision of any class of shares into series, and/or of the preferences, rights, privileges or restrictions of the shares of any class or series, or to repeal such statement of classification of shares, or subdivision of any class of shares into series; (8) To authorize the board of directors, within limitations and restrictions stated in the amendment, to fix or alter, from time to time, the dividend rate or the redemption or liquidation price of any class or of any series of any class, or the number of shares constituting any series of any class, or all or any of them, in respect of shares then unissued; (9) To change shares having par value into the same or a different number of shares without par value; to increase or reduce the par value of shares; to change shares without par value into the same or a different number of shares with or without any par value; (10) To create classes of par value shares along with classes of shares without par value, or to create classes of shares of different par values; or to restrict, limit, create or enlarge the voting rights of certain classes of shares, or to grant to any class or classes of shares preemptive rights to subscribe for shares, or to enlarge or restrict or evoke existing preemptive rights of any class or classes of shares; (11) Generally, to add to, omit from, remove or otherwise alter the provisions thereof in any respect lawful at the time of the amendment and not inconsistent with the law under which the corporation exists. No corporation shall amend its articles to alter the statements which appear in the original articles of the names and addresses of the first directors or of the number of shares subscribed and by whom” (§362).

Vote required to amend articles. A resolution providing for any amendment of the articles must be adopted by the vote of a majority of the directors of the corporation, and must be approved by the vote or written consent of shareholders or members holding at least a majority of the voting power either before or after the adoption of the resolution by the board of directors. Such resolution must establish the language of the proposed amended articles by providing that the articles shall be amended so as to read as therein set forth in full, or that any provision thereof, which shall be identified by stating the numerical or other designation given it in the articles or by stating the language thereof, be amended so as to read as therein set forth in full, and/or that the matter stated in the resolution be added to or stricken from the articles. If the purpose of an amendment of the articles is to change the preferences or restrictions of any class or series of issued shares, or to authorize the corporation to levy assessments on fully paid shares, then in any such case the amendment must be adopted by the vote or consent of the holders of at least two-thirds of the issued shares of each class regardless of limitations or restrictions on the voting power thereof. Different series or subdivisions of the same class of shares shall not be construed to constitute different classes of shares for the purpose of voting or consent by classes except when such series is adversely affected by an amendment in a different manner than other shares of the same class. If the purpose of an amendment is to change the number of directors or to authorize the corporation to change such number by amending its by-laws the board of directors
shall not be entitled to vote thereon and the requirement of section 362b that the certificate of amendment shall show the action of the board of directors shall be inapplicable to such an amendment…” (§362a).

**California 1931, Procedures for enacting bylaws:**

“A corporation may adopt, amend or repeal by-laws either at a meeting by the vote of shareholders entitled to exercise a majority of the voting power, or by the written assent of such shareholders. Until by-laws are adopted by the shareholders, the board of directors may adopt by-laws. The authority to adopt, repeal and amend by-laws may by the vote of shareholders entitled to exercise a majority of the voting power, or by the written assent of such shareholders, be delegated to the board of directors subject to the power of the shareholders to adopt, amend or repeal such by-laws or to revoke such delegation of authority in like manner. The by-laws may require the vote or written assent of the shareholders entitled to exercise more than a majority of the voting power, for the amendment and/or repeal thereof or of particular by-laws and the adoption of new by-laws. The power of the shareholders to adopt, repeal or amend by-laws fixing the number of directors may not be delegated to the directors” (§301).

“The by-laws of a corporation may make provisions not in conflict with law or its articles for:

1. The time, place and manner of calling, conducting and giving notice of shareholders’ and directors’ meetings. The by-laws may dispense with notice of all regular meetings of shareholders or directors. 2. The requirements for a quorum for a shareholders' meeting, which shall be not less than a majority of the shares entitled to vote in case of a stock corporation. 3. The manner of execution, revocation and use of proxies. 4. The number and qualifications and duties of directors; the time of their annual election; the requirements of a quorum for a directors' meeting, in no case less than one-third of the authorized number of directors nor less than two. The number of directors may be changed by a by-law fixing or changing the number, duly adopted by the shareholders if authority for such by-laws be given in the articles. 5. The appointment and authority of an executive committee and other committees of the board of directors. 6. The appointment, duties, compensation and tenure of office of officers other than directors, and the compensation of directors. 7. Special qualifications of persons who may be shareholders and reasonable restrictions upon the right to transfer or hypothecate shares. 8. The method of publication of notices of meetings of the shareholders or board of directors when publication is required; the mode of determination of shareholders of record; and the making of annual reports and financial statements to the shareholders or dispensing therewith. 9. The issue of certificates for shares prior to full payment. 10. The qualifications of members and different classes of memberships of nonstock corporations, and the property, voting and other rights, interests or privileges of each class. 11. The admission, election, or appointment, suspension or expulsion of members.12. The transfer, forfeiture and termination of membership, and whether the property interest of members shall cease at their death and the mode of ascertaining the property interest, if any, at death or termination of membership. 13. The time and manner in which profits arising from the business may be divided or distributed among members of nonstock corporations for profit. Cooperative corporations for profit may in their articles or by-laws provide for the distribution of the profits arising from the business in whole or in part among certain classes of persons other than the members or shareholders, if any, and the persons to whom and the manner in which such distribution may be made. 14. The fees of admission,
transfer fees, dues and assessments to be paid by members or different classes of members of nonstock corporations and the method of collection. Such dues or assessments or both may be authorized upon all classes of membership alike, or in different amounts or proportions or upon a different basis upon different classes of membership, and memberships of one or more classes may be made exempt from either dues or assessments or both. The amount and method of collection of such dues or assessments or both may be fixed in the by-laws, or the by-laws may authorize the board of directors to fix the amount thereof from time to time, and make them payable at such times or intervals, and upon such notice, and by such methods as the directors may prescribe. They may be made enforceable by action or by forfeiture of membership, or both, upon reasonable notice. 15. The manner of voting by members of nonstock corporations and whether they have the right of cumulative voting. 16. Any other proper and lawful regulations” (§304).

California 1931, Transferability of shares:

See section on bylaws, which may include “7. Special qualifications of persons who may be shareholders and reasonable restrictions upon the right to transfer or hypothecate shares (§304).

“Certificates for shares…. If the shares are subject to liens or restrictions upon transfer or the voting power the fact shall be stated …. Subject to the provisions of sections 322, 330.15 and 334a of this title no restriction of the right to transfer shares stated in the articles or by-laws, and no power of assessment, and no liens on shares for assessments or for the unpaid subscription price or other lien in favor of the corporation, shall be effective against a transferee of such shares unless stated on the face of the certificate” (§326).

“Transfers by married women. Shares of stock in domestic or foreign corporations standing on the books of a corporation in the name of a married woman may be transferred by her, her agent or her agents, without the signature of her husband in the same manner as if she were unmarried, and, likewise, dividends may be paid to her, and she may enjoy and exercise all the rights of a shareholder” (§328c).

California 1931, Stockholders’ liability:

“Subscription liability to corporation. (1) Every subscriber to shares and every person to whom shares are originally issued shall be liable to the corporation for the full consideration agreed to be paid for such shares. (2) Any transferee of shares who has acquired such shares in good faith, without knowledge that they were not paid in full or to the extent stated in the certificate for such shares, shall not be liable for any amount beyond that shown by such certificate to be unpaid on the shares represented thereby; and any holder who derives his title through such a transferee and who is not himself a party to any fraud affecting the issuance of such shares shall have all the rights of such former holder. (3) Every transferee of partly paid shares who acquired them under a certificate showing the fact of part payment, and every transferee of such shares (other than a transferee who derives title through a holder in good faith without knowledge, and who is not a party to any fraud affecting the issuance of such shares) who acquired them with actual knowledge that the shares were not paid in full or to the extent stated in the certificate therefor, shall be personally liable to the corporation for calls made or for installments of the amount unpaid becoming due until he transfers them to one who becomes liable therefor. (4) When a
shareholder makes a transfer of shares in good faith, which is duly registered on the corporate books, to one who becomes liable therefor, he is thereby discharged from liability to the corporation for the portion of the subscription price which remains uncalled for at the time of registration, unless it is otherwise provided in the certificate or agreed by contract in writing. After a transfer has been registered there shall be no lien upon the shares for calls already made or installments of the price due at the time of transfer and registration, except as reserved in the certificate. This section shall not be construed to release the transferor of shares from liability to the corporation under written contracts for the payment of the subscription or purchase price of the shares” (§322).

“Any shareholder who because of his proportionate stockholder’s liability under statutes heretofore in effect and not in discharge of his obligation to pay the full consideration agreed to be paid for his shares, has heretofore made or shall hereafter make any payment in discharge in whole or in part of any debt or liability of the corporation shall be subrogated to the extent of such payment to the claim of the creditor against the corporation” (§322a).

“Liability to creditors on partly paid shares. No action shall be brought by or on behalf of any creditor to reach and partly paid apply the liability, if any, of a shareholder to the corporation to pay the amount due on his shares unless final judgment shall have been rendered in favor of such creditor against the corporation and execution returned unsatisfied in whole or in part, or unless such proceedings would be useless. All creditors of the corporation, with or without reducing creditors: their claims to judgment, may intervene in any such action to reach and apply unpaid subscriptions, and all or any shareholders who hold partly paid shares may be joined in such action and several judgments may be rendered for and against the parties to said action or in favor of a receiver for the benefit of the respective parties thereto. All amounts paid by any shareholder in such action shall be credited on the unpaid balance due the corporation upon his shares” (§325).
Illinois

Illinois 1849 Act for corporations for manufacturing, agricultural, mining or mechanical purposes:

Illinois 1849, Procedures for, and limits on, formation:

“That at any time hereafter any three or more persons who may desire to form a company for the purpose of carrying on any kind of manufacturing, agricultural, mining or mechanical business may make, sign and acknowledge … a certificate, in which shall be stated the corporate name of the said company, and the objects for which such company shall be formed, the amount of capital of said company, the term of its existence, not to exceed _____ years, the number of shares of which the said stock shall consist, … and the name of the town and county in which the operations of said company are to be carried on” (§1).

Illinois 1849, Procedures for mergers:

No provision.

Illinois 1849, Directors and procedures for electing them:

“The stock, property and concerns of such company shall be managed by not less than three nor more than nine trustees, who shall respectively be stockholders, and a majority of whom shall be citizens of this state, who shall, except for the first year, be annually elected by the stockholders; … and the election shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy. All elections shall be by ballot, and each stockholder shall be entitled to as many votes as he owns shares of stock in said company, and the persons receiving the greatest number of votes shall be trustees …” (§3).

“All elections shall be by ballot (§48).

“At all meetings, stockholders may vote either in person or by proxy executed in writing by the stockholder, or by a duly authorized attorney. No proxy shall be valid after eleven months from the date of its execution, except where the stock is pledged as a security for a debt to the person holding the proxy” (§49).

“In all elections for directors every subscriber or stockholder shall have the right to vote in person or by proxy for the number of shares of stock owned by the holder for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of shares of stock shall equal, or to distribute them on the same principle among as many candidates as the holder shall think fit (§50).

Illinois 1849, Procedures for amending articles of association:

No provision.
Illinois 1849, Procedures for enacting bylaws:

“The trustees of such company shall have power to make such prudential by-laws as they shall deem proper for the management and disposition of the stock and business affairs of such company, not inconsistent with the constitution and laws of this state, and prescribing the duties of officers, artificers, and servants that may be employed, for the appointment of all officers, and for carrying on all kinds of business within the objects and purposes of such company” (§7).

Illinois 1849, Transferability of shares:

“The stock of such company shall be deemed personal estate, and shall be transferable in such manner as shall be prescribed by the by-laws of this company; but no shares shall be transferable until all previous calls thereon shall have been fully paid in, or shall have been declared forfeited for the non-payment of calls thereon; and it shall not be lawful for such company to use any of their funds in the purchase of any stock in any other corporation” (§8).

Illinois 1849, Stockholders’ liability:

“All the stockholders of every company incorporated under this act shall be severally individually liable to the creditors of the company in which they are stockholders, to an amount equal to the amount of stock held by them respectively, for all debts and contracts made by such company, until the whole amount of capital stock fixed and limited by such company shall have been paid in …” (§10).

“The stockholders of any company organized under the provisions of this act shall jointly, severally and individually be liable for all debts that may be due and owing to all their laborers, servants and apprentices, for services performed for such corporation” (§18).

Illinois 1857 Act for corporations for manufacturing, mining, mechanical or chemical purposes:

Illinois 1857, Procedures for, and limits on, formation:

“Any three or more persons, who may desire to form a company for the purpose of carrying on any kind of manufacturing, mining, mechanical or chemical business may make, sign and acknowledge … a certificate in writing, in which shall be stated the corporate name of the said company, the object for which it is formed, the amount of the capital stock thereof, the term of its existence, the number of shares of which the said stock shall consist, the number of directors, and the names of the persons who shall be directors for the first year, and the names of the town and county in which the operations of said company are to be carried on” (§1).

“The capital stock of any such company shall not be less than ten thousand nor more than five hundred thousand dollars; nor shall the term of its existence exceed fifty years …” (§2).
Illinois 1857, Procedures for mergers:

No provision.

Illinois 1857, Directors’ and their election:

“The affairs of such company shall be managed by a board of not less than three nor more than seven directors, who shall be stockholders therein, and who shall, after the first year, be annually elected by the stockholders, to serve for one year and until their successors shall have been selected. … The board of directors shall have power by a vote of two-thirds of the whole number to expel any director from the board, for any cause which the board shall deem sufficient” (§4).

“An annual election of directors shall be held at such time and place as the board of directors may designate, … and the election shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy. All elections shall be by ballot, and the name and number of shares of each stockholder shall be endorsed on his ballot. Each stockholder shall be entitled to one vote for each share of stock held by him, and those persons receiving the greatest number of votes shall be directors. …” (§6).

Illinois 1857, Procedures for amending articles of association:

No provision.

Illinois 1857, Procedures for enacting bylaws:

“The directors shall have power to make by-laws, not inconsistent with the laws of this state, for the government of the company, and to appoint such officers, agents and servants as the business of the company may require, and prescribe their duties and fix their compensation” (§5).

Illinois 1857, Transferability of shares:

“The capital stock of every such company shall be deemed personal estate, and shall be transferable on the books of the company, in such manner as its by-laws may prescribe …” (§8).

Illinois 1857, Stockholders’ liability:

“All the stockholders of every such company shall be severally individually liable to the creditors of the company to an amount equal to the amount of stock held by them respectively for all debts and contracts made by such company prior to the time when the whole amount of its capital stock shall have been paid in …” (§9).

Illinois 1872 Act concerning corporations

Illinois 1872, Procedures for, and limits on, formation:
“[C]orporations may be formed in the manner provided by this act, for any lawful purpose except banking, insurance, real estate brokerage, the operation of railroads, and the business of loaning money: *Provided*, that horse and dummy railroads may be organized and conducted under the provisions of this act: *And, provided, further*, that corporations formed for the purpose of constructing railroad bridges shall not be held to be railroad corporations” (§1).

“Whenver any number of persons, not less than three nor more than seven, shall propose to form a corporation under this act, they shall make a statement to that effect under their hands and duly acknowledged before some officer, in the manner provided for the acknowledgment of deeds, setting forth the name of the proposed corporation, the object for which it is to be formed, its capital stock, the number of shares of which such stock shall consist, the location of the principal office, and the duration of the corporation, not exceeding, however, ninety-nine years …” (§2).

**Illinois 1872, Procedures for mergers:**

No provision.

**Illinois 1872, Directors and procedures for electing them:**

“In all elections for directors or managers of corporations organized under this act, every subscriber or stockholder shall have the right to vote in person or by proxy, for the number of shares owned or subscribed by him, for as many persons as there are directors of managers to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors or managers multiplied by the number of his shares of stock shall equal, or distribute them on the same principle among as many candidates as he shall think fit; and such directors or managers shall not be elected in any other manner. It shall be lawful for any such corporation, by resolution of the stockholders, to divide its board of directors or managers into three classes, numbered consecutively, the term of office of the first class to expire on the day of the annual election of said company then next ensuing; the second class one year thereafter, and the third class two years thereafter. At each annual election after such classification, the stockholders of such company shall elect, for a term of three years, a number of directors or managers equal to the number in the class whose term expires on the day of such election …” (§3).

“The corporate powers shall be exercised by a board of directors or managers: *Provided*, the number of directors or managers shall not be increased or diminished, or their term of office changed, without the consent of the owners of a majority of the shares of stock …” (§6).

**Illinois 1872, Procedures for amending articles of association:**

No provision.

**Illinois 1872, Procedures for enacting bylaws:**
“[T]he directors or managers may adopt by-laws for the government of the officers and affairs of the company: *Provided*, they are not inconsistent with the laws of this state …” (§6).

**Illinois 1872, Transferability of shares:**

The shares of stocks shall be not less than ten nor more than one hundred dollars each, and shall be deemed personal property, and transferable as such in the manner provided by the by-laws …” (§7).

**Illinois 1872, Stockholders’ liability:**

“Every assignment or transfer of stocks, on which there remains any portion unpaid, shall be recorded in the office of the recorder of deeds of the county within which the principal office is located, and each stockholder shall be liable for the debts of the corporation to the extent of the amount that may be unpaid upon the stock held by him …. No assignor of stocks shall be released from any such indebtedness by reason of any assignment of his stock, but shall remain liable therefore jointly with the assignee until the said stock be fully paid…. Every assignee or transferee of stock shall be liable to the company for the amount unpaid thereon, to the extent and in the same manner as if he had been the original subscriber” (§8).

**Illinois 1919 Act for corporations for pecuniary profit**

**Illinois 1919, Procedures for, and limits on, formation:**

“Corporations may be organized in the manner provided in this Act for any lawful purpose, except for the purpose of banking, insurance, real estate brokerage, the operation of railroads, or the business of loaning money” (§2). “Whenever three or more adult persons, citizens of the United States of America, at least one of whom shall be a citizen of this State, shall desire to form a corporation under this Act, they shall sign, seal and acknowledge … a statement of incorporation setting for the following: (1) The names and postoffice addresses of the incorporators; (2) The name of the proposed corporation; (3) A clear and definite statement of the object or objects for which it is formed; (4) The period of duration; (5) The location of its principal office in this State … ; (6) The number of shares into which the capital stock is to be divided, whether all or part of the same shall have a par value, and if so, the par value thereof, which shall not be less than five dollars, nor more than one hundred dollars, per share, and whether all or part of the same shall have no par value, and, if there is to be more than one class of stock created, a description of the different classes, the number of shares in each class, and the relative rights, interests and preferences each class shall represent; (7) The names and addresses … of the original subscribers to the capital stock, and the amount subscribed by each; (8) The total amount of authorized capital stock; (9) The amount of such stock which it is proposed to issue at once (which shall not be less than one thousand dollars); (10) The payment of at least one-half of the capital stock having a par value and of not less than five dollars per share for each share of capital stock having no par value, which it is proposed to issue at once, with a description of the nature and value of property, if any, paid for such capital stock; (11) The number, names and postoffice addresses of the directors, … at least one of whom shall be a
resident of this State and the term for which elected; (12) In the case of a building corporation, a specific and definite description of the site for such building; (13) Any other provisions, not inconsistent with law, for the regulation of the business and the conduct of the affairs of the corporation, and any provisions creating, defining, limiting and regulating the powers of the corporation, the directors and the stockholders or any class or classes or stockholders” (§4).

**Illinois 1919, Procedures for mergers:**

“The power of a corporation subject to the provisions of this Act, to acquire, hold, vote, pledge, or dispose of the stocks, bonds, and evidences of indebtedness of another corporation, shall be subject to the following conditions and limitations: (1) No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation, where the effect of such acquisition may be substantially to lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain trade in this State or in any section of community thereof, or tend to create a monopoly; (2) No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations where the effect of such acquisition or the use of such stock by the voting or granting of proxies or otherwise, may be substantially to lessen competition between such corporations, or any of them, whose stock of other share capital is so acquired, or to restrain trade in this State or in any section of community thereof, or tend to create a monopoly. This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation from causing the formation of a subsidiary corporation or from owning stock in such a corporation, for the actual carrying on of its immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporation, when the effect of such formation is not substantially to lessen competition” (§7).

“Any two or more corporations organized under the laws of this State for the purpose of carrying on any kind of business of the same or a similar nature may, except as otherwise provided in this Act, merge or consolidate into a single corporation, and the authority in the charter of any such corporation to carry on any kind of business in addition to the kind of business common to all desiring to merge or consolidate shall not prevent such merger or consolidation. The corporation formed by the merger or consolidation may take either the name of one of such merging or consolidating corporations or a new name not the same as or similar to that of a corporation then existing under the laws of this State or of a foreign corporation licensed to do business in this State” (§65).

“Merger or consolidation shall be subject to the following: … It shall be unlawful for two or more corporations to merge or consolidate where the effect of such consolidation or merger would be illegally to regulate or control the price of, or illegally to limit the quantity of, or illegally to establish a monopoly in any article, commodity or merchandise manufactured, mined, produced or sold in this State” (§66).

Merger or consolidation shall be effected in the manner following: (1) The directors of each corporation which desires to merge or consolidate shall pass an identical resolution prescribing
the terms and conditions of merger or consolidation, the mode of carrying the same into effect and the manner of converting the shares of the merging or consolidating corporations, with such other details and provisions as are deemed necessary; (2) Such resolution shall be submitted to a vote of the stockholders of each corporation, either at a regular or special meeting, of which twenty days’ notice stating the purpose to submit such resolution shall be given by mailing a notice thereof to each stockholder of each corporation and by publication; (3) At such meeting the stockholders, either in person or by proxy, shall vote, by ballot, for or against the adoption of such resolution, each share of stock entitling the holder thereof to one vote; (4) If two-thirds in amount of all the outstanding capital stock of each corporation shall vote in favor of such resolution, then such merger or consolidation shall be authorized …” (§67).

“Any stockholder objecting to any action of the corporation in leasing, exchanging or selling all of its corporate assets, or objecting to a merger or consolidation with another corporation (the corporation acquiring such assets by lease, exchange, sale, merger or consolidation being hereinafter referred to as the ‘acquiring corporation’), shall be obligated to sell and transfer to the acquiring corporation and the acquiring corporation shall become and be obligated to purchase such share or shares, together with all rights and interests thereby represented, including all cash or securities or other benefits accruing to such share or shares, from or by reason of the sale, lease, merger or consolidation at a price equal to the fair value of such share or shares with interest on such fair value at the rate of five per cent per annum from the date such sale, lease, merger, or consolidation was consummated. If such fair value and interest thereon is not paid to, such objecting stockholder by such acquiring corporation within thirty days after such sale, lease, merger or consolidation is consummated, then such objecting stockholder may, within sixty days after the consummation of such sale, lease, merger or consolidation, file a petition in the Circuit Court of the county in which the principal office of the acquiring corporation is located, asking for a finding and determination of the fair value of such shares of stock. Upon the filing of such petition the practice and procedure thereon shall be the same, so far as practicable, as that under the eminent domain laws of this State, but the court shall have full power and authority to do all things and enter all such orders as it may deem equitable and just for the purpose of preserving and protecting the rights of the parties to the proceeding during the pendency thereof. Such fair values shall be ascertained and determined as of the date of the consummation of such sale, lease, merger or consolidation, and without regard to any depreciation or appreciation because of or on account of such sale, lease, merger or consolidation. The court shall enter judgment against such acquiring corporation for the amount of such fair value and interest thereon, which judgment may be collected as other judgments at law. Upon the payment of such judgment such stockholder shall cease to have any interest in such stock or in the property of the corporation. Such stock may be held and disposed of by the corporation as it shall see fit. Unless such objecting stockholder shall file such petition within the time herein limited, such stockholder and those claiming under him shall be conclusively presumed to have authorized, approved and ratified such sale, lease, merger or consolidation. If at the expiration of thirty days from the time of the consummation of such sale, lease, merger or consolidation, the person in whose name such share or shares shall stand, shall not be living, or shall be under disability, his executor, administrator, guardian, or conservator, as the case may be, shall be entitled to file such petition within ninety days after the consummation of such sale, lease, merger or consolidation” (§73).
Illinois 1919, Directors and procedures for electing them:

“The board of directors shall consist of not less than three members, each of whom shall be a stockholder and at least one of whom shall be a resident of this State” (§17).

The directors named in the certificate of incorporation shall hold office until the first annual meeting of the stockholders. At such annual meeting, and at each annual meeting thereafter, the stockholders shall, except as hereinafter provided, elect directors for a term of one year. In lieu of electing the whole number of directors annually, the stockholders may divide the board of directors into three classes numbered consecutively, the term of office of the first class to expire on the day of the annual election of such corporation then next ensuing, that of the second class one year thereafter, and that of the third class two years thereafter. At each annual election after such classification the number of directors equal to the number of the class whose term expires on the day of such election shall be elected for a term of three years. …” (§18).

At all meetings, stockholders may vote either in person or by proxy executed in writing by the stockholder, or by a duly authorized attorney. No proxy shall be valid after eleven months from the date of its execution, except where the stock is pledged as a security for a debt to the person holding the proxy” (§49).

“In all elections for directors every subscriber or stockholder shall have the right to vote in person or by proxy for the number of shares of stock owned by the holder for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of shares of stock shall equal, or to distribute them on the same principle among as many candidates as the holder shall think fit” (§50).

Illinois 1919, Procedures for amending articles of association:

Whenever the board of directors may desire to amend the articles of incorporation by changing the name, place of business, number, par value or character, class or preference, of the shares of the capital stock, or the purpose for which such corporation was formed, or by increasing or decreasing the capital stock, or by changing the shares from par value to no par value or from no par value to par value, or any combination thereof, or by extending the period of its corporate existence, or by increasing or decreasing the number of directors, they shall give notice of such desire in the notice of the annual meeting of the stockholders, or they may call a special meeting of the stockholders of such corporation for the purpose of submitting to a vote of the stockholders such amendment” (§59).

“No corporation shall change its place of business, from any town, county or municipality where such town, county or municipality or any of the inhabitants thereof, or any person or persons interested therein, shall have donated or in any manner contributed any money or other valuable thing to induce such corporation to locate its office, property or plant in such town, county or municipality, until the money or other property, or the value thereof, is returned to such donor or contributor” (§60).
“No change in the character or class, or increase or decrease in the amount of authorized capital stock entitled to any preference over any other stock shall be made contrary to the charter provisions creating such preferred stock” (§61).

“In order to adopt an amendment to the articles of incorporation, such proposed amendment shall receive the affirmative vote of two-thirds in amount of all the stock outstanding and entitled to vote” (§62).

**Illinois 1919, Procedures for enacting bylaws:**

“Each corporation organized under this Act shall, subject to the conditions and limitations prescribed by this Act, have the following powers, rights, and privileges: … To make by-laws not inconsistent with the laws of this State for the administration of the business and interests of such corporation …” (§6).

“The directors shall: … Adopt, alter, amend or repeal the by-laws” (§21).

“The by-laws may prescribe the time and place of holding and the manner of conducting meetings of stockholders and directors, of electing officers and determining their powers, duties and tenure, the manner of calling annual and special meetings of the stockholders and of directors, the creation of an executive committee and the number of members thereof, and their powers, and may contain such other reasonable provisions as are not inconsistent with the certificate of incorporation” (§26).

**Illinois 1919, Transferability of shares:**

No provision.

**Illinois 1919, Stockholders’ liability:**

“Stockholders shall not be held liable for the debts of a corporation (incorporated under the law of this State) because of any unpaid portion of stock liability, until the corporation has been adjudged bankrupt, or an execution upon a judgment or decree of a court of record for the payment of money, after demand made by the officer, has been returned ‘no property found’ or has remained unsatisfied for ten days after such demand, or the corporation has dissolved or ceased doing business, leaving debts unpaid” (§51).

“ After such adjudication of bankruptcy, or after the execution has been so returned, or after ten days subsequent to such demand, or after such dissolution or cessation of business, the officer of the corporation who has charge of the stock records of the corporation, on request of any creditor of the corporation, or his attorney, shall furnish to him a certified list of the names and postoffice addresses of the officers and directors of the corporation and of all persons who were stockholders at the time when the liability to be enforced against them personally accrued, the number and character of shares held by each stockholder and the amount remaining unpaid on their respective shares…” (§52).
“After an adjudication of bankruptcy, or after an execution has been so returned, or has remained unsatisfied for more than ten days, after a demand made, or after dissolution or cessation of business leaving debts unpaid, any creditor may bring suit in equity, in any court having general jurisdiction in the county within which the principal office of the corporation is located on behalf of himself and of all other creditors of the corporation, against all persons who are liable in any way for the debts of the corporation, by joining the corporation in such suit. Each stockholder may be required to pay his pro rata share of such debts and liabilities, to the extent of the unpaid portion of the stock, after exhausting the assets of such corporation. If any stockholder shall not have property enough to satisfy his portion of such debts or liabilities, then the amount shall be divided among all of the remaining solvent stockholders to the extent of their then unpaid stock liability” (§53).

**Illinois 1933 Act to revise the law relating to corporations for pecuniary profit:**

**Illinois 1933, Procedures for, and limits on, formation:**

“Purposes. Corporations for profit may be organized under this Act for any lawful purpose or purposes, except for the purpose of banking or insurance or the operation of railroads; provided, however, that corporations may also be organized under this Act for the purposes set out in section 4 of this Act with the powers therein stated; and provided, further, that corporations may be organized under this Act for the purpose of buying, selling, or otherwise dealing in notes (not including the discounting of bills and notes and not including the buying and selling of bills of exchange), open accounts, and other similar evidences of debt” (§3). [The next section expressly permitted unified local transportation corporations.]

“General powers. In order to carry out the purposes for which it is organized, each corporation shall have power: (a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation…. (d) To purchase, take, receive, lease as lessee, take by gift, devise, or bequest, or otherwise acquire, and to own, hold, use, and otherwise deal in and with any real or personal property, or any interest therein, situated in or out of this State, which may be appropriate to enable it to accomplish any or all of its purposes…. (j) To conduct its business, carry on its operations, and have offices within and without this State, and to exercise in any other state, territory, district, or possession of the United States, or in any foreign country, the powers granted by this Act…. ” (§5).

“Authorized shares. Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, qualifications, limitations, restrictions, and such special or relative rights as shall be stated in the articles of incorporation. The articles of incorporation shall not limit or deny the voting power of the shares of any class. Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes: (a) Subject to the right of the corporation to redeem any of such shares at not exceeding the price fixed by the articles of incorporation for the redemption
thereof. (b) Entitling the holders thereof to cumulative or non-cumulative dividends. (c) Having preference over any other class or classes of shares as to the payment of dividends. (d) Having preference as to the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation. (e) Convertible into shares of any other class, or into shares of any series of the same or any other class; provided that shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted” (§14).

“Any three or more of the subscribers to the shares of a corporation to be organized under this Act, who are natural persons of the age of twenty-one years or more, may act as incorporators of such corporation by signing, verifying, and filing in duplicate in the office of the Secretary of State the articles of incorporation of such corporation” (§46).

“The articles of incorporation shall set forth: (a) The name of the corporation. (b) The address, including street and number, if any, of its initial registered office in this State, and the name of its initial registered agent at such address. (c) The period of duration, which may be perpetual. (d) The name and address, including street and number, if any of each incorporator. (e) The purpose or purposes for which the corporation is organized. (f) The aggregate number of shares which the corporation shall have authority to issue; also, if said shares are to consist of one class only, the par value of each of said shares, or a statement that all of said shares are without par value; or, if said shares are to be divided into classes, the number of shares of each class, if any, that are to have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are to be without par value. (g) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class. (h) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between different series in so far as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series. (i) The number and class of shares to be issued by the corporation before it shall commence business, and the consideration to be received by the corporation therefor, which shall be not less than one thousand dollars. If shares of more than one class are to be issued, the consideration for shares of each class shall be separately stated. (j) The number of directors to be elected at the first meeting of shareholders. (k) Any provision which the incorporations may choose to insert limiting or denying to shareholderz the preemptive right to acquire additional shares of the corporation. (l) Any provision which the incorporations may choose to insert, for the regulation of the internal affairs of the corporation. (m) An estimate, expressed in dollars, of the value of all the property to be owned by the corporation for the following year, wherever located, and an estimate of the value of the property to be located within this State during such year, and an estimate, expressed in dollars, of the gross amount of business which will be transacted by it during such year and an estimate of the gross amount thereof which will be transacted by it at or from places of business in this State during such year. It shall not be
necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this Act” (§47).

**Illinois 1933, Procedures for mergers:**

“Any two or more corporations may merge into one of such corporations in the following manner: The board of directors of each corporation shall, by resolution adopted by a majority vote of the members of each such board, approve a plan of merger setting forth: (a) The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation. (b) The terms and conditions of the proposed merger and the mode of carrying the same into effect. (c) The manner and basis of converting the shares of each merging corporation into shares or other securities or obligations of the surviving corporation. (d) A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger. (e) Such other provisions with respect to the proposed merger as are deemed necessary or desirable” (§61).

“Any two or more corporations may consolidate into a new corporation in the following manner: The board of directors of each corporation shall, by a resolution adopted by a majority vote of the members of each such board, approve a plan of consolidation setting forth: (a) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation. (b) The terms and conditions of the proposed consolidation and the mode of carrying the same into effect. (c) The manner and basis of converting the shares of each corporation into shares, or other securities, or obligations of the new corporation. (d) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this Act. (e) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable” (§62).

“The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written or printed notice shall be delivered not less than twenty days before such meeting, either personally or by mail, to each shareholder of record entitled to vote at such meeting. Such notice, whether the meeting be an annual or special meeting, shall state the place, day, hour, and purpose of the meeting, and a copy or a sum shall be included in or enclosed with such notice” (§63).

“At each such meeting a vote of the shareholders entitled to vote thereat shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote at such meeting, of each of such corporations, unless any class of shares of any of such corporations is entitled to vote as a class in respect thereof in which event, as to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each such class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote at such meeting” (§64).
“If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within twenty days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of his shares as of the day prior to the (late on which the vote was taken approving the merger or consolidation, the surviving or new corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, the fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the twenty day period shall be conclusively presumed to have consented to the merger or consolidation and shall be bound by the terms thereof. If within thirty days after the date on which such merger or consolidation was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving or new corporation, payment therefor shall be made within ninety days after the date on which such merger or consolidation was effected, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares or in the corporation. If within such period of thirty days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within sixty days after the expiration of the thirty day period, file a petition in any court of competent jurisdiction within the county in which the registered office of the surviving or new corporation is situated, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such merger or consolidation, together with interest thereon to the date of such judgment. The practice, procedure, and judgment shall be, so far as practicable, the same as that under the eminent domain laws of this State. The judgment shall be payable only upon and simultaneously with the surrender to the surviving or new corporation of the certificate or certificates representing said shares. Upon the payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares, or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be conclusively presumed to have approved and ratified the merger or consolidation, and shall be bound by the terms thereof. The right of a dissenting shareholder to be paid the fair value of his shares as herein provided shall cease if and when the corporation shall abandon the merger or consolidation” (§70).

**Illinois 1933, Directors and procedures for electing them:**

“Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. In all elections for directors every shareholder shall have the right to vote, in person or by proxy, for the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of
directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit” (§28).

“The business and affairs of a corporation shall be managed by a board of directors. Directors need not be residents of this State or shareholders in the corporation unless the articles of incorporation or by-laws so provide. The by-laws may prescribe other qualifications for directors” (§ 33).

“The number of directors of a corporation shall be not less than three. Subject to such limitation, the number of directors shall be fixed by the by-laws, except as to the number of directors to be elected at the first meeting of shareholders, which number shall be fixed by the articles of incorporation. The number of directors so fixed by the articles of incorporation shall be elected by the shareholders at the first meeting of shareholders after the filing of the articles of incorporation, to hold office until the first annual meeting of shareholders. The number of directors may be increased or decreased from time to time by amendment to the by-laws. In the absence of a by-law fixing the number of directors, the number shall be the same as that stated in the articles of incorporation. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except as hereinafter provided. Each director shall hold office for the term for which he is elected or until his successor shall have been elected and qualified” (§34).

“When the board of directors shall consist of nine or more members, in lieu of electing the whole number of directors annually, the by-laws may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes” (§35).

Illinois 1933, Procedures for amending articles of association:

“A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired, provided that its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amendment, and, if a change in shares or an exchange or reclassification of shares is to be made, such provisions as may be necessary to effect such change, exchange, or reclassification as may be desired and as is permitted by this Act. In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as: (a) To change its corporate name. (b) To change its period of duration. (c) To change, enlarge, or diminish its corporate purposes. (d) To increase or decrease the aggregate number of shares, or shares of any class, which the corporation has authority to issue. (e) To increase or decrease the par value of the authorized shares of any class having a par value, whether issued or unissued. (f) To exchange, classify, reclassify, or cancel all
or any part of its shares, whether issued or unissued. (g) To change the designation of all or any part of its shares, whether issued or unissued, and to change the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of all or any part of its shares, whether issued or unissued. (h) To divide any preferred or special class of shares, whether issued or unissued, into series and fix and determine the designations of such series and the variations in the relative rights and preferences as between the shares of such series. (i) To authorize the board of directors to establish, out of authorized but unissued shares, series of any preferred or special class of shares and fix and determine the relative rights and preferences of the shares of any series so established. (j) To authorize the board of directors to fix and determine the relative rights and preferences of the all authorized but unissued shares of series theretofore established in respect of which either the relative rights and preferences have not fixed and determined or the relative rights and preferences theretofore fixed and determined are to be changed. (k) To revoke, diminish, or enlarge the authority of the board of directors to establish series out of authorized but unissued shares of any preferred or special class and fix and determine the relative rights and preferences of the shares of any series so established. (l) To change shares having a par value, whether issued or unissued, into the same or a different number of shares without par value, and to change shares without par value, whether issued or unissued, into the same or a different number of shares having a par value. (m) To change the share of any class, whether issued or unissued, and whether with or without par value, into a different number of shares of the same class or into the same or a different number of shares, either with or without par value, of other classes. (n) To create new classes of shares having rights and preferences either prior and superior or subordinate and inferior to the shares of any class then authorized, whether issued or unissued. (o) To limit, deny, or grant to shareholders of any class the preemptive right to subscribe for or acquire additional shares of the corporation, whether then or thereafter authorized” (§52).

“Amendments to the articles of incorporation shall be made in the following manner: (a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. (b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders. If such meeting be an annual meeting, the proposed amendment, or such summary as aforesaid, may be included in time notice of such annual meeting. (c) At such meeting a vote of the shareholders entitled to vote thereat shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote at such meeting, unless any class of shares is entitled to vote as a class in respect thereof, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote at such meeting. Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting” (§53).

“The holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment which would (a) Increase or decrease the aggregate number of authorized
shares of such class. (b) Increase or decrease the par value of the shares of such class. (c) Effect an exchange, reclassification, or cancellation of all or part of the shares of such class. (d) Change the designations, preferences, qualifications, limitations, restrictions, or special or relative rights of the shares of such class. (e) In the case of a preferred or special class of shares, divide the shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series. (f) Change the shares of such class having a par value into the same or a different number of shares without par value, or change the shares of such class without par value into the same or a different number of shares having a par value. (g) Change the shares of such class, whether with or without par value, into a different number of shares of the same class, or into the same or a different number of shares, either with or without par value, of other classes. (h) Create a new class of shares having rights and preferences prior and superior to the shares of such class. (i) Limit or deny the existing preemptive rights of the shares of such class” (§54).

**Illinois 1933, Procedures for enacting bylaws:**

“In order to carry out the purposes for which it is organized, each corporation shall have power: … (l) To make and alter by-laws, not inconsistent with its articles of incorporation or with the laws of this State, for the administration and regulation of the affairs of the corporation” (§5).

“The power to make, alter, amend, or repeal the by-laws of the corporation shall be vested in the board of directors, unless reserved to the shareholders by the articles of incorporation. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation” (§25).

**Illinois 1933, Transferability of shares:**

No provision.

**Illinois 1933, Stockholders’ liability:**

Liability of subscribers and shareholders. A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which said shares were issued or to be issued. Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration….” (§23).
Massachusetts

Massachusetts 1851 Act relating to joint stock companies:

Massachusetts 1851, Procedures for, and limits on, formation:

Any number of persons not less than three, who by articles of agreement in writing have associated, or who shall associate themselves together according to the provisions of this act, under any name by them assumed, for the purpose of carrying on any kind of manufacturing, mechanical, mining or quarrying business, and who shall comply with all the provisions of this act, shall, with their successors and assigns, be and remain a body politic and corporate, under the name by them assumed in their said articles of association: provided, that no association shall be formed, under the provisions of this act, for the purpose of distilling or manufacturing intoxicating liquors” (§1).

“The amount of the capital stock of every such corporation shall be fixed and limited by the stockholders in their articles of association, and shall in no case be less than five thousand dollars, nor more than two hundred thousand dollars” (§2).

“The purpose for which every such corporation shall be established, and the town or city within which it is established or located, shall be distinctly and definitely specified by the stockholders in their articles of association; and it shall not be lawful for such corporation to direct its operations, or appropriate its funds to any other purpose” (§3).

Massachusetts 1851, Procedures for mergers:

No provision.

Massachusetts 1851, Directors and procedures for electing them:

[This topic was still governed by the 1836 Revised Statutes.]

“The directors shall be not less than three in number; and they shall be chosen annually by the stockholders, at such time and place, as shall be provided by the by-laws of the company, and shall hold their offices for one year, and until others are chosen and qualified in their stead; and one of the directors shall be chosen president, either by the directors or by the company, as shall be directed by the by-laws” (RS, §38.3).

“All corporations may, by their by-laws, where no other provision is specially made, determine the manner of calling and conducting all meetings; the number of members that shall constitute a quorum; the number of shares that shall entitle the members to one or more votes; the mode of voting by proxy; the mode of selling for the non-payment of assessments; and the tenure of office of the several officers; and they may annex suitable penalties to such by-laws, not exceeding, in any case, the sum of twenty dollars, for one offence; provided, that no such by-law shall be made by any corporation, repugnant to any provisions of its charter” (RS, §44.2)
Massachusetts 1851, Procedures for amending articles of association:

No provision.

Massachusetts 1851, Procedures for enacting bylaws:

[This topic was still governed by the 1836 Revised Statutes.]

“Every such company may make by-laws, for their own and government, with penalties for the breach thereof, not exceeding twenty dollars; provided, that such by-laws shall not be repugnant to the laws of the Commonwealth” (§38.6).

Massachusetts 1851, Transferability of shares:

[This topic was still governed by the 1836 Revised Statutes.]

“Any shares may be transferred by the proprietor thereof, by a deed under his hand and seal, acknowledged before some justice of the peace, and recorded by the clerk of the corporation, in a book to be kept for that purpose; and the purchaser named in such deed, so recorded, shall, on producing the same to the treasurer, and delivering to him the former certificate, be entitled to a new certificate” (RS, §38.12).

Massachusetts 1851, Stockholders’ liability:

“The stockholders of any corporation, organized under the provisions of this act, shall be, jointly and severally, individually liable for all debts that may be due or owing to all their laborers, servants and apprentices, for services performed by themselves, their wives or minor children, as operatives for such corporations, within six months next preceding the demand made for any such debt; and for the recovery thereof, as well as to obtain contribution therefor, in case of payment by any stock holder, like remedies shall be had as are provided in the thirty-sixth chapter of the Revised Statutes, in cases of individual liability of stockholders” (§15).

[This topic was still partly governed by the 1836 Revised Statutes.]

“All the members of every manufacturing company, that has been incorporated since the said twenty third day of February, in the year one thousand eight hundred and thirty, or that shall be hereafter incorporated, shall be jointly and severally liable for all debts and contracts made by such company, until the whole amount of the capital stock, fixed and limited by the company in manner aforesaid, shall have been paid in, and a certificate thereof shall have been made recorded in the registry of deeds, as prescribed in the following section” (§38.16).

“All the members of every manufacturing company, that has been incorporated since the said twenty third day of February, in the year one thousand eight hundred and thirty, or that shall be hereafter incorporated, shall be jointly and severally liable for all debts and contracts made by such company, until the whole amount of the capital stock, fixed and limited by the company in manner aforesaid, shall have been paid in, and a certificate thereof shall have been made recorded in the registry of deeds, as prescribed in the following section” (§38.16).

“If any part of the capital stock of such company shall and refunded to the stockholders, before the payment the debts of the company, contracted previously to the recording of the copy of a vote for that purpose, in the registry of deeds, as prescribed in the preceding section, all the stockholders of the company shall be jointly and severally liable for the payment of the said last mentioned debts” (§38.21).
“Every such company shall give notice, annually, in some newspaper printed in the county where the manufactory is established, and in case no paper is printed therein, then in some newspaper in an adjoining county, of the amount of all assessments, voted by the company and actually paid in, and the amount of all existing debts, which notice shall be signed by the president and a majority of the directors; and if any of the said companies shall fail so to do, all the stockholders of the company shall be jointly and severally liable for all the debts of the company then existing, and for all that shall be contracted before such notice shall be given” (§38.22).

Massachusetts 1870 Act concerning manufacturing and other corporations:

Massachusetts 1870, Procedures for, and limits on, formation:

“Any such number of persons as is hereinafter provided, who shall have associated themselves together by an agreement in writing such as is hereinafter described, with the intention to constitute a corporation for any of the purposes hereinafter specified, shall become a corporation …” (§1).

“For the purpose of cutting, storing and selling ice, or of carrying on any agricultural, horticultural, mechanical, mining, quarrying, or manufacturing business, except that of distilling or manufacturing intoxicating liquors, or for the purpose of printing and publishing newspapers, periodicals, books or engravings, three or more persons may associate themselves with a capital of not less than five thousand nor more than five hundred thousand dollars.” §2. [There are different numbers for several other types of corporations in §§ 3-6.]

Massachusetts 1870, Procedures for mergers:

No provision.

Massachusetts 1870, Directors and procedures for electing them:

“The directors, clerk and treasurer shall be chosen annually by the stockholders, by ballot, and shall hold their offices for one year and until others are chose and qualified in their stead” (§16).

“The number of the directors shall not be less than three. One of them shall be chosen president, by the directors or by the company, as the by-laws shall direct” (§17).

“At all meetings of the company, absent stockholders may vote by proxy, authorized in writing; but no proxy shall be valid unless executed and dated within six months previous to the meeting at which it is used, if the maker thereof resides in the United States; and no person shall, as proxy or attorney, cast more than fifty votes, unless all the shares so represented are owned by one person; and no person shall, as proxy or attorney, cast more than fifty votes, unless all the shares so represented by him are owned by one person; and no officer of the corporation, as proxy or attorney, shall cast more votes than represent twenty shares, unless all the shares so represented are owned by one person …” (§19).
Massachusetts 1870, Procedures for amending articles of association:

No provision.

Massachusetts 1870, Procedures for enacting bylaws:

“Every company may make by-laws not repugnant to the laws of the Commonwealth, with penalties for breach thereof not exceeding twenty dollars for each offence” (§14).

Massachusetts 1870, Transferability of shares:

“Shares may be transferred by the proprietor, by an instrument in writing under his hand, which shall be recorded by the clerk of the corporation in a book to be kept for that purpose. The purchaser named in such instrument so recorded shall, on producing the same to the treasurer, and delivering to him the former certificate, be entitled to a new certificate” (§26).

Massachusetts 1870, Stockholders’ liability:

“The members or stockholders in corporations shall be jointly and severally liable for its debts or contracts in the following cases, and not otherwise. First. For such as may be contracted before the original capital is fully paid in. But stockholders who have paid in full the par value of their shares shall not be liable for such debts. Second. For the payment or all debts existing at the time when the capital is reduced, to the extent of the sums withdrawn and paid to stockholders. Third. If the corporation shall be subject to and neglect to comply with the provisions of section sixty-three of this act, for debts existing and contracted before the same are complied with. Fourth. When special stock is created, the general stockholders shall be liable for all debts and contracts until the special stock is fully redeemed. Fifth. For all sums of money due to operatives for services rendered within six months before demand made upon the corporation, and its neglect or refusal to make payment. Any such member or stockholder who pays, on a judgment or otherwise, more than his proportional share of any such debt, shall have a claim for contribution against the other members or stockholders.

“Such sums as may be decreed to be paid by the stockholders in such suit in equity shall be assessed upon them in proportion to the amounts of stock by them respectively held at the time when the suit in which said judgment was recovered was begun; but no stockholder shall be liable to pay a larger sum than the amount of stock held by him at that time at its par value” (§43).

Massachusetts 1903, An Act Relative to Business Corporations

Massachusetts 1903, Procedures for, and limits on, formation:

“Every corporation which is subject to the provisions of this act shall have the following powers and privileges and shall be subject to the following liabilities:—(a) To have perpetual succession
in its corporate name, unless a period for its duration is limited by special law. (b) To sue or be sued in its corporate name, and to prosecute or defend to final judgment and execution or decree in any court of law or equity. (c) To have a capital stock to such an amount as may be fixed in its agreement of association or articles of organization or of amendment as hereinafter provided. … (§4).

Procedures for mergers:

Directors and procedures for electing them:

Procedures for amending articles of association:

Massachusetts 1903, Procedures for enacting bylaws:

“Every corporation which is subject to the provisions of this act shall have the following powers … (h) To make by-laws not inconsistent with the laws of this commonwealth for regulating its government and for the administration of its affairs as hereinafter provided. …” (§4).

“Three or more persons may associate themselves by a written agreement of association with the intention of forming a corporation under general laws for any lawful purpose which is not excluded by the provisions of section one except to buy and sell real estate or to distill or manufacture intoxicating liquors” (§7).

“The agreement of association shall state:--(a) That the subscribers thereto associate themselves with the intention of forming a corporation. (b) The corporate name assumed. (c) The location of the principal office of the corporation in the commonwealth, and elsewhere in the case of corporations organized to do business wholly outside the commonwealth. (d) The purposes for which the corporation is formed and the nature of the business to be transacted. (e) The total amount of the capital stock of the corporation, which shall not be less than one thousand dollars, to be authorized; the par value of the shares, which shall not be less than five dollars; the number of shares into which the capital stock is to be divided, and the restrictions, if any, imposed upon their transfer; and, if there are to be two or more classes of stock, a description of the different classes and a statement of the terms on which they are to be created and of the method of voting thereon. (f) Any other provisions not inconsistent with law for the conduct and regulation of the business of the corporation, for its voluntary dissolution, or for limiting, defining or regulating the powers of the corporation, or of its directors or stockholders, or any class of stockholders. (g) The subscriber or subscribers by whom the first meeting of the incorporators shall be called. (h) The names and residences of the incorporators and the amount of the stock subscribed for by each” (§10).

Transferability of shares:

Stockholders’ liability:
New Jersey

New Jersey 1849 Act to authorize the establishment, and to prescribe the duties of companies for manufacturing and other purposes:

New Jersey 1849, Procedures for, and limits on, formation:

“Be it enacted … that it shall be lawful for any number of persons, exceeding four, to associate themselves into a company to carry on any kind of manufacturing, mining, mechanical, agricultural, or chemical business, within this state, and also for purposes of inland navigation, upon making a certificate in writing, under their hands and seals, setting forth—First. The name assumed to designate such company, and to be used in its business and dealings; Second. The place or places where the business of such company is to be conducted, and the objects for which the company shall be formed; Third. The total amount of the capital stock of such company, which shall not be less than ten thousand dollars, the amount with which they will commence business, which shall not be less than six thousand dollars, and the number of shares into which the same is divided; Fourth. The names and residences of the stockholders, and the number of shares held by each; Fifth. The periods at which such company shall commence and terminate, not exceeding fifty years …” (§1).

Procedures for mergers:

New Jersey 1849, Directors and procedures for electing them:

“And be it enacted, That the business of every such company, shall be managed and conducted by the directors thereof, who shall respectively be shareholders therein, and a majority of whom shall be residents of this state …” (§6).

“And be it enacted, That the directors shall not be less than three in number, and they shall be chosen annually by the stockholders, at such time and place as shall be provided by the by-laws of the company, and shall hold their offices for one year and until others are chosen and qualified in their stead, and one of the directors shall be chosen president, who shall be a resident of this state, either by the directors or by the stockholders, as shall be directed by the by-laws” (§7).

“And be it enacted, That at all meetings of the company, absent stockholders may vote by proxy, authorized in writing; and every company may determine, by its by-laws, the manner of calling and conducting all meetings, what number of shares shall entitle the stockholders to one or more vote, what number of stockholders shall attend, either in person or by proxy, or what number of shares or amount of interest shall be represented at any meeting, in order to constitute a quorum; and if the quorum shall not be so determined by the company, a majority of the stockholders in interest shall constitute a quorum” (§11).

Procedures for amending articles of association:

Procedures for enacting bylaws:
New Jersey 1849, Transferability of shares:

“[T]he shares of stock in every such company shall be deemed personal property, and shall be transferable on the books of such company, in such manner as the by-laws may provide; and whenever any transfer of shares shall be made for collateral security, and not absolutely, the same shall be so expressed in the entry of said transfer” (§15).

Stockholders’ liability:

New Jersey 1875 Act concerning corporations:

New Jersey, 1875, Procedures for, and limits on, formation:

“It shall be lawful for three or more persons to associate themselves into a company to carry on any kind of manufacturing, mining, trading or agricultural business …” [followed by a long list of organizations that may be incorporated and others that may not be incorporated under the act] (§10).

“Such certificate, in writing, shall set forth: I. The name assumed to design such company, and to be used in its business and dealings; II. The place or places in this state or elsewhere where the business of such company is to be conducted, and the objects for which the company shall be formed; III. The total amount of the capital stock of such company, which shall not be less than two thousand dollars, the amount with which they will commence business, which shall not be less than one thousand dollars, and the number of shares into which the same is divided, and the par value of each share; IV. The names and resident of the stockholders, and the number of shares held by each; V. The periods at which such company shall commence and terminate, not exceeding fifty years. . . .” (§11).

Procedures for mergers:

New Jersey 1875, Directors and procedures for electing them:

“The business of every such company shall be managed and conducted by the directors thereof, who shall respectively be shareholders therein …” (§16).

“The directors shall not be less than three in number, and they shall be chosen annually by the stockholders at such time and place as shall be provided by the by-laws of the company, and shall hold their offices for one year and until others are chosen and qualified in their stead; and one of the directors shall be chosen president, either by the directors or by the stockholders, as shall be directed by the by-laws . . .” (§17).

“At all meetings of the company absent stockholders may vote by proxy, authorized in writing; and every company may determine, by its by-laws, the manner of calling and conducting all meetings, what number of shares shall entitle the stockholders to one or more votes, what number of stockholders shall attend, either in person or by proxy, or what number of shares or
amount of interest shall be represented at any meeting in order to constitute a quorum; provided, that in no case shall more than a majority of shares or amount of interest be required to be represented any meeting in order to constitute a quorum; and if the quorum shall not be so determined by the company, a majority of the stockholders in interest represented, either in person or by proxy, shall constitute a quorum” (§21).

Procedures for amending articles of association:

Procedures for enacting bylaws:

**New Jersey 1875, Transferability of shares:**

“The shares of stock in every corporation of this state shall be deemed personal property, and shall be transferable on the books of such company in such manner as the by-laws may provide; and whenever any transfer shall be made for collateral security, and not absolutely, the same shall be so expressed in the entry of said transfer” (§26).

Stockholders’ liability:
New York

New York 1848 Act to authorize the formation of corporations for manufacturing, mining, mechanical or chemical purposes:

New York 1848, Procedures for, and limits on, formation:

“At any time hereafter, any three or more persons who may desire to form a company for the purpose of carrying on any kind of manufacturing, mining, mechanical or chemical business, may make, sign and acknowledge before some officer competent to take the acknowledgment of deeds, and file … a certificate in writing, in which shall be stated the corporate name of the said company, and the objects for which the company shall be formed, the amount of the capital stock of the said company, the term of its existence, not to exceed fifty years, the number of shares of which the said stock shall consist, the number of trustees and their names, who shall manage the concerns of said company for the first year, and the names of the town and county in which the operations of the said company are to be carried on” (§1).

Procedures for mergers:

New York 1848, Directors and procedures for electing them:

“The stock, property and concerns of such company shall be managed by not less than three nor more than nine trustees, who shall respectively be stockholders in such company and citizens of the United States, and a majority of whom shall be citizens of this state, who shall, except the first year, be annually elected by the stockholders at such time and place as shall be directed by the by-laws of the company; … and the election shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy. All elections shall be by ballot, and each stockholder shall be entitled to as many votes as he owns shares of stock in the said company, and the persons receiving the greatest number of votes shall be trustees …” (§3).

Procedures for amending articles of association:

Procedures for enacting bylaws:

New York 1848, Transferability of shares:

“The stock of such company shall be deemed personal estate, and shall be transferable in such manner as shall be prescribed by the by-laws of the company; but no shares shall be transferable until all previous calls thereon shall have been fully paid in, or shall have been declared forfeited for the non-payment of calls thereon” (§8).

Stockholders’ liability:
New York 1875 Act to provide for the organization and regulation of certain business corporations:

New York 1875, Procedures for, and limits on, formation:

“Whenever five or more persons, a majority of whom shall be citizens and residents of this State, shall propose to form a corporation under the provisions of this act, they shall make a certificate to that effect …” (§3).

“The capital stock of every corporation formed under this act shall be divided into shares of not less than twenty-five dollars, nor more than one hundred dollars each; and shall in no case exceed two million dollars …” (§11).

Procedures for mergers:

New York 1875, Directors and procedures for electing them:

“The by-laws of every corporation created under the provisions of this act, shall be deemed and taken to be its law and shall provide: 1. The number of directors of the corporation. 2. The term of office of such directors, which shall not exceed one year. 3. The manner of filling vacancies amount directors and officers. 4. The time and place of the annual meeting. 5. The manner of calling and holding special meetings of the stockholders. 6. The number of stockholders who shall attend, either in person or by proxy, at every meeting, in order to constitute a quorum …” (§6).

“The business of every corporation created hereunder shall be managed by a board of directors (the members of which at their election and throughout their term of office shall be stockholders in such corporation to at least the extent of five shares, and shall hold their offices under their successors are chosen) …. The number of directors shall be not less than five nor more than thirteen; and the number thereof may be changed by a meeting of the owners of a majority of the whole amount of the stock of any corporation …” (§10).

“The annual elections of directors shall be held at such time an dplace as shall be designed by the by-laws of the corporation, … and the election shall be made by such of the stockholders as shall attend for that purpose, either in person or by proxy… No person shall be permitted to vote upon the proxy of a stockholder in any such corporation after the lapse of eleven months from the date thereof, unless the stockholder shall have specified therein that it is to continue in force for some longer and limited time. All elections shall be by ballot, and each stockholder shall be entitled to as many votes as shall equal the number of his shares multiplied by the number of directors to be elected and he may distribute his votes among those to be voted for as he sees fit; and the persons receiving the greatest number of votes shall be directors …” (§26).

Procedures for amending articles of association:

Procedures for enacting bylaws:
New York 1875, Transferability of shares:

“[C]ertificates of stock shall be transferable at the pleasure of the holder, in person or by attorney duly authorized, subject however, to all payments due or to become due thereon; and the assignee to whom the same has been so transferred shall be a member of said corporation, and have and enjoy all the immunities, privileges and franchises, and be subject to all the liabilities, conditions and penalties incident thereto, in the same manner as the original holder would have been; but no certificate shall be transferred so long as the holder thereof is indebted to such corporation unless the board of directors shall consent thereto” (§12).

Stockholders’ liability:
Ohio

Ohio 1846 Act relative to incorporations for manufacturing, and other purposes:

Ohio 1846, Procedures for, and limits on, formation:

“Be it enacted, that at any time when five or more persons shall be desirous of forming a company for the purpose of manufacturing woolen, cotton or linen goods, or yarns; or for the purpose of making glass, iron from ore, bar or other iron, steel or manufacturers of wire, or brass, sheet copper, sheet lead, shot, white lead, red lead; or of manufacturing clay or earth, wood or iron, into articles for any use; or for the purpose of manufacturing pins, buttons; or for the purpose of manufacturing morocco, or other leather, or for mining business; or for the manufacture of any two or more such articles; and shall make, sign and acknowledge, before a justice of the peace, a certificate in writing …. Such persons, so acknowledging and giving said certificate, and their successors, shall, for the term of forty years next after the recording of such certificate, be a body corporate …” (§5).

“The amount of capital stock of such company shall not be less than five thousand dollars, nor more than two hundred thousand dollars each …” (§4).

Procedures for mergers:

Ohio 1846, Directors and procedures for electing them:

“That, after the first year, the property and concerns of said company shall be controlled, managed, and conducted by directors, not less than three [nor] more than seven in number, to be elected by ballot, by the stockholders in said company, for one year, on the first Monday of January in each year, at such place as shall be directed by the by-laws of said company …. Such elected shall be made by such of the stockholders as shall attend in person, or by proxy in writing, for such purpose; each stockholder shall be entitled to one vote for each share of stock so owned; the persons having the greatest number of votes shall be declared the directors …” (§2).

Procedures for amending articles of association:

Procedures for enacting bylaws:

Ohio 1846, Transferability of shares:

“The stock of such company shall be deemed personal estate, and may be transferred in such manner as shall be prescribed by the by-laws of said company: Provided, that notice of such transfer, in a plain and legible hand writing, shall be conspicuously posted up in the office, and one or more workshops of said company, for twenty days after such transfer; and the persons so transferring his stock, shall not be exonerated from his individual liability previously due to
workmen, as hereafter specified; but the company shall retain a lien on all stock subscribed, until the whole amount subscribed shall be fully paid …” (§5:).

Stockholders’ liability:
Pennsylvania

Pennsylvania 1849 Act to encourage manufacturing operations in this commonwealth:

Pennsylvania 1849, Procedures for, and limits on, formation:

“Be it enacted …That at any time hereafter when any five or more persons may desire to form a company under the provisions of this act, for the purpose of carrying on the manufacture of woolen, cotton, flax or silk goods, or of iron, paper, lumber or salt, in this commonwealth, and shall have subscribed as capital stock for that purpose, a sum not less than twenty thousand dollars, in such shares as they may have agreed upon, not less than fifty dollars a share, and actually paid in to such persons as they may have appointed to receive the same, the one-fourth part of the capital stock so subscribed, it shall and may be lawful for them to sign and acknowledge, before some officer competent to take acknowledgement of deed, a certificate in writing, in which shall be stated the corporate name of said company, and the objects for which it has been formed, the amount of its capital stock subscribed, the amount actually paid in and to whom paid, the number and value of the shares into which said stock has been divided, the residence of the subscribers, and the number of shares subscribed by each, the name of the county in which the chief operations of the company are to be carried on, the term of years for which the association is to continue, and time number and names of the directors who shall manage the affairs of said company until the next annual election ….” (§1).

Pennsylvania 1849, Procedures for mergers:

No provision.

Pennsylvania 1849, Directors and procedures for electing them:

“The stock, property and affairs of said company shall be managed by not less than five nor more than thirteen directors, a majority of whom in all cases shall be citizens of this state, who shall respectively be stockholders therein, and who shall, excepted as provided in the first section of this act, be elected at a general meeting of the stockholders, to be held at such time and place annually as shall be directed by the by-laws of the company, of which time and place public notice shall be given for at least two successive weeks next preceding said general meeting and election, in at least two newspapers printed in the county where the operations of the company shall be carried on, if so many are printed therein, and if so many are not printed therein, then in papers having circulation in said county, printed in an adjoining county; and the election shall be made by such of the stockholders as shall attend, either in person or by proxy: All elections shall be by ballot, and each stockholder shall be entitled to as many votes as he owns shares of stock in said company, but no person shall in any case be entitled to more than one-third of the whole number of votes to which the holders of all the shares in the capital stock of said company would be entitled; no stockholder, females excepted, residing within ten miles of the place appointed for such general meeting or election, shall vote by proxy, nor shall any person vote as proxy for more than two absent stockholders; the persons receiving the greatest number of votes at any such election shall be directors, and when any vacancy shall happen among the said directors by
death, resignation, removal from the state, or otherwise, it shall be filled for the remainder of the year, in such manner as may be provided by the by-laws” (§4).

“There shall be a president of the company, who shall be designated from the directors of the company, and shall be elected or chosen in such manner as shall be provided by the by-laws, and there shall also be a treasurer and secretary not of the number of directors, who shall in the first instance be appointed by the directors, to serve until the next annual election, at which election, and annually thereafter, they shall be elected by the stockholders, in such manner as shall be provided by the by-laws, and shall hold their offices respectively during the pleasure of the stockholders, but may be removed for cause, to be assigned in writing by the directors and entered on the minutes of their proceedings, and any vacancy in the office of treasurer or secretary shall be filled by the directors until an election shall be had by the stockholders ….” (§6).

Pennsylvania 1849, Procedures for amending articles of association:

No provision.

Pennsylvania 1849, Procedures for enacting bylaws:

“The directors … shall have power to make such by-laws as they shall deem proper for the management and disposition of the stock and business affairs of the company, subject however to the revision and approval of the stockholders, and not inconsistent with the laws of this commonwealth, and providing for the appointment and prescribing the duties of all officers, agents, factors, artificers, and other persons that may be employed, and for carrying on all kinds of business within the objects and purposes of such company ….” (§8).

Pennsylvania 1849, Transferability of shares:

“[T]he shares of stock in every such company shall be deemed personal property, and shall be transferable on the books of such company, in such manner as the by-laws may provide; but no share or shares shall be transferable until all arrears or previous calls thereon shall have been fully paid in, or the said shares shall have been declared forfeited for the non-payment of the calls thereon in the manner hereinbefore provided” (§9).

Pennsylvania 1849, Stockholders’ liability:

“Provided, That no such company shall commence operations until fifty per cent. of the stock subscribed shall be paid: All the stockholders in any company incorporated under the provisions of this act, shall be jointly and severally liable in their individual capacities for all debts and contracts made by such company, to the amount remaining unpaid on the shares of stock by them respectively held, until the whole amount of the capital stock as fixed and limited by the said company as in this act provided, shall have been paid in, and a certificate thereof shall have been made and recorded, as prescribed in the following section” (§9).
“In case of tile dissolution, failure or insolvency of any company, incorporated under the provisions of this let, all debts due or owing to operatives or laborers for services performed for such company for any period, shall first be provided for, and paid out of the effects or assets of said company” (§12).

Pennsylvania 1874 Act to provide for the incorporation and regulation of certain corporations:

Pennsylvania 1874, Procedures for, and limits on, formation:

Be it enacted, &c., That corporations may be formed under the provisions of this act by the voluntary associations of five or more persons, for the purposes, and in the manner mentioned herein ....” (§1).

The purposes for which the said corporation may be formed, shall be as follows, and shall be divided into two classes: ... CORPORATIONS FOR PROFIT—SECOND CLASS ... THOSE FOR— The insurance of the lives of domestic animals. The insurance of human beings against death, sickness or personal injury. The prevention and punishment of theft of wilful injuries to property, and insurance against such risks. The construction and maintenance of any species of road other than a railroad, and of bridges in connection therewith. The construction and maintenance of a bridge over streams within this state. The construction and maintenance of a telegraph line. The establishment and maintenance of a ferry. The building of ships, vessels or boats, and carriage of person and property thereon. The supply of water to the public. The supply of ice to the public. The manufacture and supply of gas, or the supply of light or heat to the public by any other means. The transaction of a printing and publishing business. The establishment and maintenance of an hotel or boarding house, opera and market house, or either. The creating, purchasing, holding and selling of patent rights for inventions and designs, with the right to issue license for the same, and receive pay therefor. Building and loan associations. Associations for the purchase and sale of real estate, and for safe deposit companies. The manufacture of iron or steel, or both, or of any other metal, or of any article of commerce from metal or wood, or both. The carrying on of any mechanical, minting, quarrying or manufacturing business, including all of the purposes covered by the provisions of the acts of the general assembly, entitled “An Act to encourage manufacturing operations in this Commonwealth,” approved April seventh, one thousand eight hundred and forth-nine, entitled “An Act relating to corporations for mechanical, manufacturing, mining and quarrying purposes,” approved July eighteenth, one thousand eight hundred and sixty-three, and the several supplements to each of the said acts, including the incorporation of grain elevator, storage warehouse and storage yard companies; and also including the storage and transportation of water, with the right to take rivulets and land, and erect reservoirs for holding water, and excluding the distilling or manufacturing of intoxicating liquors. The insurance of owners of real estate, mortgagees, and others interested in real estate, from loss by reason of defective titles, liens and incumbrances. The re-chartering of corporations of either of these classes the charters whereof are about to expire” (§2).
“The charter of an intended corporation must be subscribed by five or more persons, three of
whom at least must be citizens of this commonwealth, and shall set forth. I. The name of the
corporation. II. The purpose for which it is formed. III. The place or places where its business is
to be transacted. IV. The term for which it is to exist. V. The names and residence of the
subscribers and the number of shares subscribed by each. VI. The number of its directors, and
the names and residence of those who are chosen directors for the first year. VII. The amount of
its capital stock, if any, and the number and par value of shares into which it is divided. …” (§3).

“The capital stock of every such corporation that has or requires a capital stock, shall consist of
not more than one million dollars, and shall be divided into shares of not more than one hundred
dollars each …” (§11).

[There were alternative limits for specific types of corporations elsewhere in the act.]

“Companies incorporated under the provisions of this act for the manufacture of iron or steel, or
both, of any other metal, or of any article of commerce, from wood or metal, or both, unless
otherwise provided by this act, shall, from the date of the letters patent creating the same, have
the powers and be governed, managed and controlled as follows: Every such corporation may, in
the manner prescribed in this act, increase its capital stock to an amount not exceeding five
million dollars, and shall have the right to purchase, lease, hold, mortgage and sell real estate and
mineral rights, to prove and open mines, to mine and prepare for market, or for their own use and
consumption, coal, iron ore and other minerals, and to erect and construct furnaces, forges, mills,
foundries, manufactories and such other improvements and erections as they may deem
necessary, and to manufacture iron and steel, or any other metal, or either thereof, in all shapes
and forms, and either of these metals exclusively, or in combination with other metals, or with
wood, and to transport all of said articles, or any of them, to market, and to dispose of the same,
and to do all such other acts and things as a successful and convenient prosecution of said
business may require: Provided, They shall not at any one time have more than ten thousand
acres of and within this Commonwealth, including leased lands…. (§38).

Pennsylvania 1874 Procedures for mergers:

“Companies incorporated under the provisions of this act for the manufacture of iron or steel, or
both, of any other metal, or of any article of commerce, from wood or metal, or both, unless
otherwise provided by this act, shall, from the date of the letters patent creating the same, have
the powers and be governed, managed and controlled as follows: … That it shall and may be
lawful for any incorporated company of this commonwealth, or elsewhere, to subscribe and take
shares in the stock in any company incorporated for the purpose named in this section of this act,
or to purchase the bonds or stock, or guarantee the payment of said bonds and the interest
thereon, or either principal or interest” (§38).

Pennsylvania 1874, Directors and procedures for electing them:

“The business of every corporation created hereunder, shall be managed and conducted by a
president, a board of directors or trustees, a clerk, a treasurer, and such other officers, agents and
factors as the corporation authorizes for that purpose. The directors or trustees, clerk and
The treasurer shall be chosen annually by the stockholders, at the time fixed by the by-laws, and shall hold their office until other are chosen and qualified in their stead; the manner of such choice, and of the choice or appointment of all other agents and officers of the company, shall be prescribed by the by-laws. The number of directors or trustees shall not be less than three; one of them shall be chosen president by the directors, or by the members of the corporation, as the by-laws shall direct. The members of the said corporation may, at a meeting to be called for that purpose, determine, fix or change the number of directors or trustees that shall thereafter govern its affairs; and a majority of the whole number of such directors or trustees shall be necessary to constitute a quorum” (§5).

“In all elections for directors, managers or trustees of any corporation enacted under the provisions of this statute, or accepting its provisions, each member or stockholder may cast the whole number of his votes for one candidate, or distribute them upon two or more candidates, as he may prefer; that is to say, if the said member or stockholder own one share of stock, or has one vote, and is entitled to one vote for each of six directors, by virtue thereof, he may give one vote to each of said six directors, or six votes for one thereof, or a less number of votes for any less number of directors, and in this manner may distribute or cumulate his votes as he may see fit; all elections for directors or trustees shall be by ballot, and every share of stock shall entitle the holder thereof to one vote, in person or by proxy, to be exercised as provided in this section” (§10).

Pennsylvania 1874, Procedures for amending articles of association:
No provision.

Pennsylvania 1874, Procedures for enacting bylaws:
“Corporations formed under this act “shall have the following powers, unless otherwise specially provided: … To make by-laws not inconsistent with law, for the management of its property, the relation of its affairs and the transfer of its stock…. ” (§1).

“The by-laws of every corporation created under the provisions of this statute, or accepting the same, shall be deemed and taken to be its law, subordinate to this statute, the charter of the same, the constitution and laws of this commonwealth, and the constitution of the United States. They shall be made by the stockholders or members of the corporation, at a general meeting called for that purpose, unless the charter prescribes another body, or a different mode. They shall prescribe the time and place of meeting of the corporation, the powers and duties of its officials and such other matters as may be pertinent and necessary for the business to be transacted, and may contain penalties for the breach thereof not exceeding twenty dollars. …” (§5).

Pennsylvania 1874, Transferability of shares:
“[C]ertificates or evidence of stock shall be transferable at the pleasure of the holder, in person or by attorney duly authorized, as the by-laws may prescribe, subject, however, to all payments due or to become due thereon; and the assignee or party to whom the same shall have been so transferred, shall be a member of said corporation, and have and enjoy all the immunities,
privileges and franchises, and be subject to all the liabilities, conditions and penalties incident thereto, in the same manner as the original subscriber or holder would have been, but no certificate shall be transferred so long as the holder thereof is indebted to said company, unless the board of directors shall consent thereto” (§7).

“…The shares of the capital stock of every such company may be transferred on the books of the company, in person or by attorney, subject to such regulation as the by-laws may prescribe; but the provisions of this section shall not apply to corporations in which by this act different and other rules and provisions are enacted for their regulation and government” (§11).

“The stock of every corporation created under the provisions of this statute shall be deemed personal property; and no shares shall be transferable until all previous calls thereon shall have been fully paid in or shall have been declared forfeited for the non-payment of calls thereon ….”” (§12).

Pennsylvania 1874, Stockholders’ liability:

The stockholders in each of said corporations, shall be liable in their individual capacity, to the “amount of stock held by each of them, for all work or labor done, or material furnished, to carry on the operations of each of said corporations; but this section shall not be construed to increase or diminish the liability of stockholders in corporations, which by the terms of this statute, are to be governed, controlled and managed by the provisions of other statutes, but their liability shall be fixed and defined by the terms of the statutes by which said corporations are to be governed, controlled and managed” (§14).

“That the officers and stockholders of corporations organized under or accepting the provisions of this act shall not be individually liable for the debts of said corporation otherwise than in this provided” (§24).

“Companies incorporated under the provisions of this act for the manufacture of iron or steel, or both, of any other metal, or of any article of commerce, from wood or metal, or both, unless otherwise provided by this act, shall, from the date of the letters patent creating the same, have the powers and be governed, managed and controlled as follows: … That the stockholders of every company incorporated for the purposes named in this section shall only be individually liable for debts due to the laborers, mechanics, or clerks, for services, and in that case for no period exceeding six months…” (§38).

“Companies incorporated under the provisions of this act for the carrying on of any mechanical, mining, quarrying, or manufacturing or other business, as provided in clause eighteen of the second class, in section two hereof, when not otherwise provided in this act, shall, from the date of the letters patent creating the same, have the powers and be governed, managed and controlled as follows: … The stockholders of any and all corporations, under this act, shall be personally liable for all sums of money due to laborers, clerks and operatives, for services rendered, within six months before demand made upon the corporation, and its neglect or refusal to make payment; and when judgment is obtained against any corporation for wages or labor due to an
amount not exceeding two hundred dollars, said corporation shall not be entitled to stay of execution.

Penn 1933

Procedures for, and limits on, formation:

Procedures for mergers:

Directors and procedures for electing them:

Procedures for amending articles of association:

Procedures for enacting bylaws:

Transferability of shares:

Stockholders’ liability:

Procedures for, and limits on, formation:

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